Qualitative Study on the Varieties of Corruption: How have competitive processes transformed the corruption dynamics in Poland and Hungary over the years?

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Background
The dominant literature on corruption makes two broad arguments:
1) Corruption (in the economy, state administration, and political institutions) is corruption (e.g., Escolar-Llamons and Ross 2014; Fisman and Gatti 2002)
   
   BUT: most empirical studies focus on the effects of a single competitive process on corruption
2) Corruption differs in ‘quality’ but not in ‘quantity’ when compared across time and/or countries (e.g., Treisman 2000; Lambdorff 2007)
   
   BUT: area-specific studies find qualitative differences in the forms of corruption that occur in each region (e.g. Ledeneva 2006)

Theoretical Argument
- The parallel introduction of political and economic reforms in new democracies plunge changes on parties
- The emergence of competitive processes that requires players on parties
- The need for more funds for new actors to number on them to operate more efficiently, and incentives them to lobby for more
- More beneficial legislation. When these two demands match – the more beneficial legislation - a new form of corruption can emerge

The Hypothesis:
The parallel introduction of competitive processes in a country transforms systematically the types and activities of corruption

Expected Outcome
1) Detect a systematic change in the types and activities of corruption that occur over time in a sector.

   Example:
   - Competition in Politics and Economics in a Sector
   - Corruption Pattern
   - Type: Activity
   - Before Conflict-of-interest
   - Appointments of individuals not based on meritocratic standards
   - After Illicit Lobbying
   - Abuse of discretionary powers

Contribution & Significance of Project
This project contributes to both theory and policy development:
- Provides empirical support for the emerging argument that there exist qualitative variations in corruption patterns
- Development of data-driven policies
- Provides data on how the parallel introduction of competition-oriented reforms in multiple areas affects corruption patterns

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Data Sources

<table>
<thead>
<tr>
<th>Available Testing Data: its Level &amp; Type</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country-Level: Time-series</td>
<td>Organization-Level</td>
<td>Type: Activity, Sector, Period, Time-Series</td>
</tr>
<tr>
<td>International Organizations (e.g., ECB, EBRD, OECD, and EU), Official publications (e.g. Parliaments, Executive, Ministries, and Statistical Offices)</td>
<td>Expect interviews - do not official documents records, secondary sources, media reports, gray literature, (academic)</td>
<td>Country-Level: Time-series</td>
</tr>
</tbody>
</table>

Feasibility
- Feasible
- Minor: Difficulty
- Strategy
- Use of existing data
- Focus on selected pairs of corruption events

Project Timeline
- Spring 2017
  - Selected pairs of corruption event
  - Prepare for field research
  - Complete drafts of 2 chapters

- Summer 2017
  - Field Research (semi-structured interviews with experts)
  - transcription

- Fall 2017
  - Data analysis
  - Draft final chapters
  - Present findings at conferences

- Winter 2017/18
  - Revise thesis
  - Defend dissertation
  - Celebrate!
  - Who knows?

- Spring 2018
  - Celebrate!
  - Who knows?

The Causal Mechanism
Emergence of competition in multiple areas (e.g., politics, the economy)

Interaction among competitive processes

Shape the incentive and opportunity structures of actors

Development of new corruption types and activities

Change in a country’s corruption dynamics

Variations example on how the introduction of multiple competitive processes creates the new forms of corruption that affect the transformation of a country’s corruption dynamics

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Research Design
- Two countries:
  - Poland and Hungary
- From 1990 to 2010
- Corruption cases in at least 3 industries per country
- In each industry, 2 corruption cases are paired:
  - One that has occurred before the emergence of competition
  - One that has occurred after the emergence of competition
- To capture the change in corruption dynamics over time in each pair of cases, I am using the newly developed TASP-Framework
- Categorize each corruption case by analyzing the type and activity of corruption that has occurred
- To analyze the link between the emergence of competitive processes, their interaction, and the transformation of corruption:
  - Use of process-tracing

Why Poland and Hungary?
- The Performance Frontier in Central and Eastern Europe
- Early democracies
- High levels of corruption

Timeline
- Country-specific period
- Common period (1990/91–99) or Corruption
- 2004 – EU Accession

Testable Hypothesis
- The parallel introduction of competitive processes creates new forms of corruption
- The emergence of competitive processes changes incentives on parties
- The need for more funds for new actors to operate more efficiently
- More beneficial legislation. When these two demands match – the more beneficial legislation - a new form of corruption can emerge

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Literature cited